



AUDIT REPORT: DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Audit Report. The Auditor of State released the FY 2015 Audit Report for the Department of Agriculture and Land Stewardship (DALs) on October 10, 2016. The following conditions related to internal controls were reported.

Segregation of Duties. There were four Bureaus in the Department that were cited for not segregating duties. This included the Dairy Bureau, the Commercial Feed and Fertilizer Bureau, the Weights and Measures Bureau, and the Animal Industry Bureau. In each Bureau, one person is responsible for opening mail, recording receipts in the Bureau's database, preparing the deposit, and taking the deposit to Accounting. There is no independent reconciliation of collections to deposits.

The Department responded that funding limitations constrict full segregation of duties. However, the DALs has made changes to some of the departmental processes which will help further segregate some of the duties discussed in this comment. The response was accepted.

Statutory Code Findings. The following findings were reported by the Auditor's Office related to Iowa Code compliance:

- Some of the Bureaus in the DALs do not submit electronic bid notices to targeted small businesses as outlined in Iowa Code section [73.16](#). The Department responded that the majority of the Department's procurements are from competitively bid state contracts, which are exempt from this procedure. However, the Department will continue to address this issue.
- The Department does not conduct a qualifying exam prior to issuing a commercial weighing and measuring servicer license as outlined in Iowa Code section [215.23](#). The Department responded that the annual fee is \$5 and does not cover the cost to conduct an exam. The Department will work on administering this program.
- The Department subcontracts moisture meter inspections; however, there is no verification that the inspections have been made as outlined in Iowa Code section [215A.2](#). The Department responded that they have a listing of all of the licensed moisture meters in the state and the subcontractor confirms the listing. When the Department makes changes to the listing, the subcontractor confirms the changes. At the conclusion of the inspection season, the subcontractor sends the Department confirmation of all inspections, which includes the make and model of each meter and scale at each location and whether those devices passed or failed the inspection. The Department then compares the number of licensed meters/scales to the total number of subcontractor inspections and follows up with any discrepancies. Once the review is complete, the final report is signed off on by the Weights and Measures Bureau.
- The Pesticide Bureau does not operate an applicator certification program as outlined in Iowa Code section [206.5](#) and needs to update the related Administrative Rules. The Department responded that a rule change would affect a large number of people and would take over a year to implement.

The Auditor of State accepted the DALs responses for the first three findings and acknowledged the response to the fourth finding.

Additional Information. The report is available [online](#). For additional information, please contact the Fiscal Services Division at the LSA.

STAFF CONTACT: Deb Kozel (515-281-6767) deb.kozel@legis.iowa.gov